AMENDED IN ASSEMBLY APRIL 28, 2005

CALIFORNIA LEGISLATURE—2005-06 REGULAR SESSION

ASSEMBLY BILL

No. 1494

Introduced by Assembly Member Baca

February 22, 2005

An act to amend Section 25503.5 23386 of the Business and Professions Code, relating to alcoholic beverage control.

LEGISLATIVE COUNSEL'S DIGEST

AB 1494, as amended, Baca. Alcoholic beverages: instructions: professional development. tastings.

The Alcoholic Beverage Control Act authorizes—distilled spirits manufacturers and winegrowers to conduct tastings of distilled spirits or wine at specified events, and permits specified entities to instruct licensees and their employees in the subject of wine, beer, or distilled spirits, and to furnish wine, beer, or distilled spirits in connection with that instruction any person holding a manufacturer's, winegrower's, manufacturer's agent's, rectifier's, importer's, or wholesaler's license to give away samples of the alcoholic beverages that are authorized to be sold under that license. Existing law provides that a retail license does not authorize the furnishing or giving away of any free samples of alcoholic beverages. Existing law also authorizes distilled spirits manufacturers and winegrowers to conduct tastings of distilled spirits or wine at specified events.

The Alcoholic Beverage Control Act permits specified entities to instruct licensees and their employees or retail consumers in the subject of wine, beer, or distilled spirits, and to provide wine, beer, or distilled spirits in connection with that instruction.

This bill would additionally allow distilled spirits manufacturers and their agents to furnish distilled spirits for use in connection with

AB 1494 -2-

professional development courses permit an on-sale retail licensee authorized to sell distilled spirits to instruct consumers, under specific conditions, at an on-sale retail licensed premises. That consumer instruction may include furnishing distilled sprits, subject to limitation on the quantity that may be provided to each consumer.

Vote: majority. Appropriation: no. Fiscal committee: no. State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 23386 of the Business and Professions 2 Code is amended to read:

23386. (a) Any manufacturer's, wine grower's, manufacturer's agent's, rectifier's, importer's, or wholesaler's license also authorizes the giving away of samples of the alcoholic beverages that are authorized to be sold by the license under the rules that may be prescribed by the department. A retail license does not authorize the furnishing or giving away of any free samples of alcoholic beverages.

- (b) Notwithstanding subdivision (a), an on-sale retail licensee authorized to sell wine may instruct consumers at the on-sale retail licensed premises regarding wines sold by the retail licensee. Notwithstanding subdivision (a), an on-sale retail licensee authorized to sell distilled spirits may instruct consumers at the on-sale retail licensed premises regarding distilled spirits. The instruction may include, without limitation, the history, nature, values, and characteristics of the product, and the methods of presenting and serving the product. The instruction of consumers may include the furnishing of not more than three tastings to any individual in one day. A single tasting of distilled spirits may not exceed one-fourth of one ounce and a single tasting of wine may not exceed one ounce. Nothing in this subdivision shall limit the giving away of samples pursuant to subdivision (a).
- (c) (1) Notwithstanding subdivision (a), an on-sale retail licensee authorized to sell distilled spirits may, without charge, instruct consumers at the on-sale resale licensed premises regarding distilled spirits sold by the retail licensee if the following conditions are met:

-3- AB 1494

(A) The on-sale retail licensee possesses a Type 21 off-sale license.

- (B) At least 75 percent of the retailer's annual net sales are attributable to the combined sales of wine, beer, and distilled spirits.
- (C) The on-sale retail licensee has an area of their facility specifically designed for the purposes of conducting alcohol tastings, where signs prohibiting minors are visible and entry into the tasting area is restricted to retail employees and persons 21 years of age and older.
- (2) The instruction of consumers may include, without limitation, the history, nature, values, and characteristics of the product, and the methods of presenting and serving the product. The following conditions apply to the instruction of consumers regarding distilled spirits under this subdivision:
- (A) Instruction shall be conducted between the hours of 11 a.m. and 7 p.m. and shall be no longer than five consecutive hours.
- (B) The instruction of consumers may include the furnishing of not more than three tastings to any individual in one day.
- (C) A single tasting of distilled spirit may not exceed one-fourth of one ounce.
- (D) No consumer shall leave the licensed premises with a tasting.
- (E) No tasting shall be furnished to an obviously intoxicated person.
- (F) No distilled spirits manufacturer shall induce a retailer to conduct an instruction of its products.
- (G) All products used in an instruction shall be purchased through normal distributor channels.
- (H) Only individuals who have completed state approved server training shall conduct an instruction.
- (3) Nothing in this subdivision shall limit the giving away of samples pursuant to subdivision (a).
- SECTION 1. Section 25503.5 of the Business and Professions Code is amended to read:
- 25503.5. (a) A winegrower, beer manufacturer, or a beer and wine wholesaler may, without charge, instruct licensees and their employees, or conduct courses of instruction for licensees and their employees, on the subject of wine or beer, including, but

AB 1494 — 4 —

1 2

not limited to, the history, nature, values, and characteristics of wine or beer, the use of wine lists, and the methods of presenting and serving wine or beer. The winegrower, beer manufacturer, or beer and wine wholesaler may furnish wine or beer and the equipment, materials and utensils that may be required for use in connection with the instruction or courses of instruction.

- (b) A distilled spirits manufacturer, distilled spirits manufacturer's agent, distilled spirits general rectifier, or distilled spirits general importer may, without charge, instruct licensees and their employees, or conduct courses of instruction for licensees and their employees, on the subject of distilled spirits, including, but not limited to, the history, nature, values, and characteristics of distilled spirits, and the methods of presenting and serving distilled spirits. The distilled spirits manufacturer or distilled spirits manufacturer's agent may furnish distilled spirits and the equipment, materials, and utensils that may be required for use in connection with the instruction or courses of instruction, or professional development.
- (e) A winegrower or distilled spirits manufacturer, or its authorized agent may instruct consumers at an on-sale retail licensed premises authorized to sell its product with the permission of the retail on-sale licensee. The instruction may include, without limitation, the history, nature, values, and characteristics of the product and the methods of presenting and serving the product. The instruction of consumers may include the furnishing of not more than three tastings to any individual in one day. A single tasting of distilled spirits may not exceed one-fourth of one ounce and a single tasting of wine may not exceed one ounce. The winegrower or distilled spirits manufacturer, or its authorized agent shall remove any unfinished alcoholic beverages that he or she provided following the instruction. Nothing in this subdivision shall limit the giving away of samples pursuant to subdivision (a) of Section 23386.
- (d) The instruction or courses of instruction, authorized in subdivision (a) or (b), may be given at the premises of the winegrower, beer manufacturer, beer and wine wholesaler, distilled spirits manufacturer, distilled spirits manufacturer's agent, distilled spirits general rectifier, distilled spirits general

5 AB 1494

- importer or of a licensee, including an on-sale retail licensee, or elsewhere.